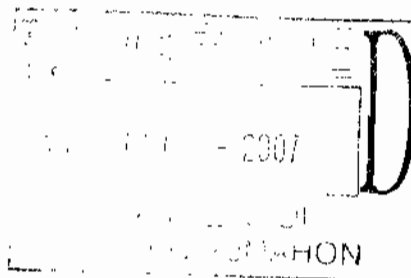


JENNER & BLOCK

October 5, 2007



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Hon. Colleen McMahon
United States District Court for
The Southern District of New York
500 Pearl Street, Suite 640
New York, NY 10007

10/9/07
Let me clarify what I meant:
There will be NO discovery
until the motion to dismiss
is denied. But I will not
alter the motion schedule we set
because

Re: Buyers & Renters United to Save Harlem, et al. v. Pinnacle Group, LLC, et al.
No. 07 Civ. 6316

Dear Judge McMahon:

We represent all Plaintiffs in the above captioned action. The letter replies to a letter sent
you by Defendants' counsel yesterday addressing discovery.

Fed. R. Civ. P. 26(d) constrains discovery only "before the parties have conferred as
required by Rule 26(f)." Prior to our appearance before you on September 21, 2007, Mr. Karlan
and I conferred pursuant to Rule 26(f) and reached agreement on several dates; his September 21
letter to the Court specifically acknowledged that "the first day to serve discovery requests"
would therefore be September 21, 2007 -- even though he knew at that time that he would be
filing a motion to dismiss on behalf of the Defendants.

Commencement of discovery on September 21 -- the date allowed by application of the
Federal Rules -- is consistent with Mr. Karlan's representation to you at the status hearing that his
clients would suffer grievous harm from adverse publicity if there were any delay in discovery or
trial. He repeated his concern that delay in commencing and completing discovery would harm
his client in at least two emails to us. In one, dated September 21, he went so far as to say that
delay in completing discovery "is harming not just the defendants but many members of the class
you wish and purport to represent."

Mr. Karlan now reverses field and states his view that, because Your Honor declined to
enter a case management plan for completing discovery, Your Honor implicitly stayed the
commencement of discovery. I do not recall Your Honor stating that discovery could not
commence. Nor did Mr. Karlan ask for a stay. Of course, no such stay appears in the Order that
Your Honor issued following the status hearing.

I want
it denied
Promptly

No
reply
needed

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Hon. Colleen McMahon

October 5, 2007

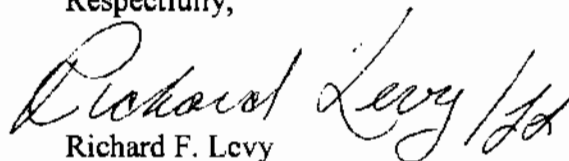
Page 2

Your Honor did order us to file a RICO Statement by September 28, which we have done. One purpose of a RICO Statement is to flesh out the factual support for a RICO claim, and our RICO Statement contains information that we were able to obtain without discovery. But we anticipate that there is much relevant information about the Defendants' operations to which have no access outside the discovery process.

We have commenced discovery as the Federal Rules provide. We did so after the date that the parties expressly agreed -- and Defendants' counsel correctly advised the Court -- would be the date on which discovery could commence. We saw no Order barring that, and we request that we be permitted to continue. As recently as yesterday, Mr. Karlan requested that we provide dates for the plaintiffs' depositions in October and we agreed to do so. We are prepared to proceed reasonably and diligently on a mutual basis.

Based on the Court ordered briefing schedule for Defendants' Motion to Dismiss, granting Defendants' request would postpone commencement of discovery at least until the end of the year. That would indeed be damaging to the Plaintiff, and according to Mr. Karlan, to his clients as well.

Respectfully,



Richard F. Levy

cc: Mitchell Karlan
(via facsimile - 212-351-5254)
RFL:jzs